

PEACE SIGNED WITH CHURCH

Historic Disagreement Comes to End with Good Feeling Toward All

ROME, Feb. 11.—(AP)—The Roman question tonight was a thing of the past and the Vatican was at peace with Italy. The formal accomplishment of this today was the exchange of signatures in the historic palace of St. John Lateran by two noteworthy plenipotentiaries, Cardinal Gasparri for Pope Pius XI and Premier Mussolini for King Victor Emmanuel III.

In affixing the autographs to the memorably document, healing the wound which has festered since 1870, extreme cordiality was displayed on both sides. The cardinal secretary of state warmly welcomed the premier to the old papal residence, while Mussolini showed particular attention to the venerable prelate by bidding him sit while the text of the accord was read.

Cardinal Leaven Bed. Cardinal Gasparri left his bed where he had been confined by gripe since Saturday and braved the chilly and sunless weather in order that he might attend the ceremony which was the crowning act of his entire diplomatic career. Premier Mussolini did all he could to soften the rigors of the physical ordeal.

Just as the signatories were welding the gold quill pen, the chimes of St. John lateran pealed out as if for Christmas midnight and a throng of theological students grouped in the court yard below broke into the strains of a to deum. "We thank thee, oh God, make safe thy people, oh Lord, and bless thy heirs and rule over them and extol them forever."

Guard Gives Cheer. To this the Fascist Blackshirt militia, personal body guard of the premier, responding with a rousing, "Eia, eia, eia, alla!" for the pope, the premier and the king.

The pope today is speaking to lenten preachers and parish priests of his own diocese of Rome justified his course in accepting the terms of the present settlement and called for rejoicing in "a settlement between a father and his son." He was roundly applauded.

BUDGET MAKER IS DEEMED NECESSARY

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ized budget authority was nothing new for the reason that the president was budget maker for the United States government. He transferred Mr. Kuhl's plan as impractical.

State Treasurer Kay said the state purchasing agency would expand within the next two years approximately \$7,000,000. He said this was no small undertaking and required the services of an able director and a well trained organization.

The budget department should not be consolidated with the state purchasing department," said Mr. Kay. "If this was done you would have no check and the official in charge of the two functions could fix the budget to suit himself. In consolidating these two departments you would destroy an organization which it has taken years to perfect without any savings to the taxpayers."

Consolidation of the budget department and purchasing agency under the state board of control, was proposed by Representative Kuhl.

"It was my first thought," said Kuhl, "that the two departments should be consolidated under the supervision of the governor, but I recently decided that this would not be practical. It would require a good business to have the man who makes the budget check the budget, so I now propose that the two departments shall be consolidated under the state board of control."

"It is true that Governor Patterson has done everything in his power to practice economy in governmental affairs, but some governor might come along who would attempt to build up a political machine through the expenditure of more than 3,000,000 annually for state supplies."

Representative Hamilton appeared before the committee in behalf of a proposed annual appropriation of \$30,000 for a period of three years, for the state chamber of commerce. He said the money would be used for attracting settlers to Oregon, and not a penny would be expended for overhead expenses.

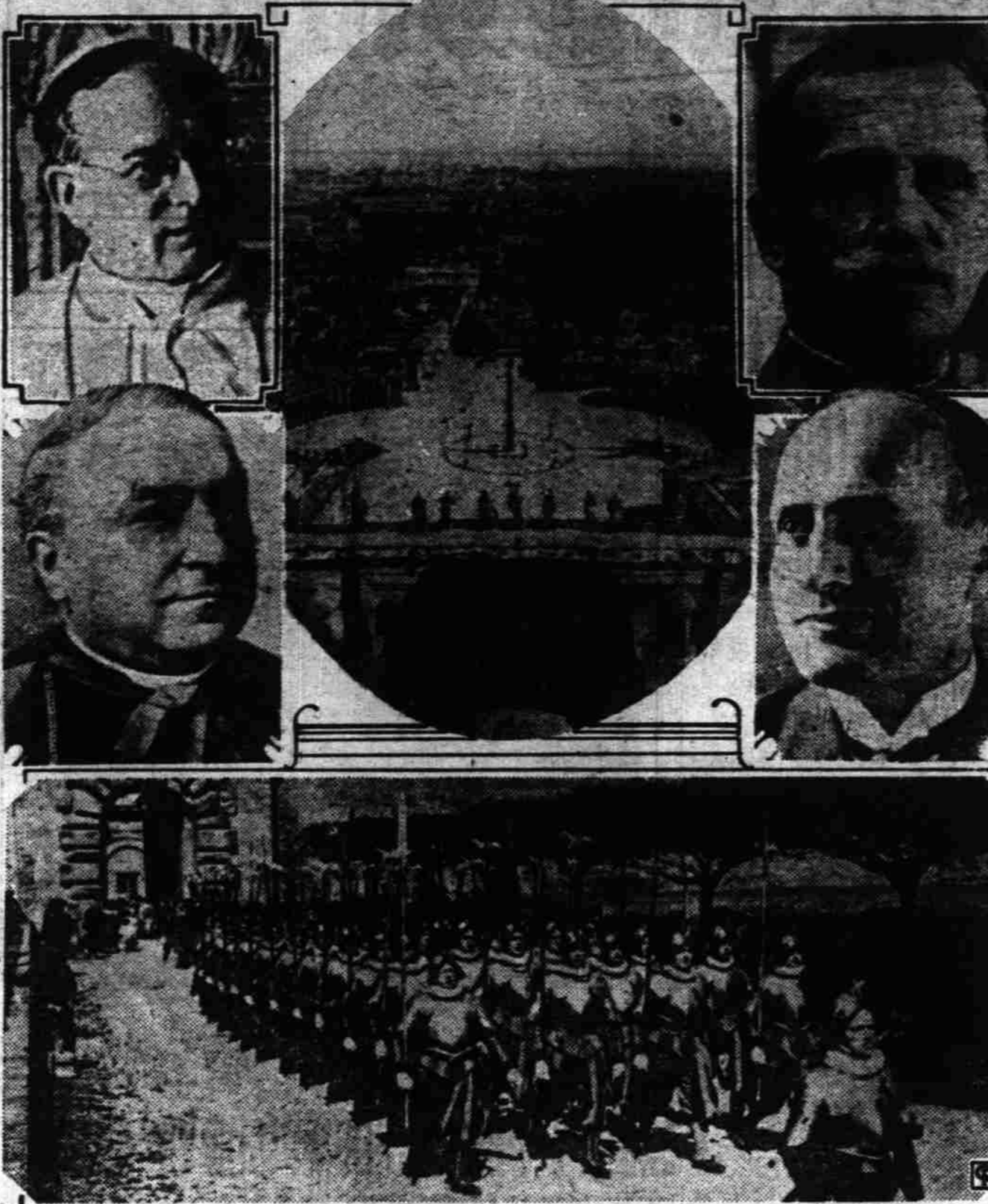
He presented statistics to show that the operations of the state chamber of commerce had brought into the state \$15,000,000 of new money with additional assessable property of \$7,500,000 and taxes collected in the amount of \$375,000. He said it was the purpose of the state chamber of commerce to obtain settlers who would locate on unutilized lands and add wealth to the state.

Governor Patterson spoke briefly before the committee in connection with a budget item of approximately \$12,000 for the purchase of additional land at Champeau Park.

Reduction Fund. The committee voted to report out a bill reducing the total of the restoration fund during the next two years from \$50,000 to \$25,000. This would permit a corresponding reduction in the appropriations of the several state institutions which contribute to the fund.

The appropriation of \$30,000 recommended by Governor Patterson for the state welfare commission was reinstated in full by the committee. It previously had been

CHURCH AND STATE SETTLE DIFFERENCES IN ITALY



Creation of a new papal territory to be known as Vatican City or Vatican State at Rome, and the regulation of future relations between the holy see and the kingdom of Italy, has brought to an end the Roman question, a thorn in the side of Italian politics since 1870. With the announcement of the settlement Pope Pius ceases to be a voluntary prisoner in the Vatican. Above, left, Pope Pius, and below, Cardinal Gasparri, who signs the agreement for the papal state; and right, top, King Victor Emmanuel, and Premier Mussolini, who signs for the government. Center, a view of St. Peter's Square from St. Peter's, which, under the settlement, is given to the church. Below are the Swiss guards, the famous vatican soldiery.

reduced to \$23,337. Representative Childgren urged an appropriation for the county fair.

Hal Hoss, secretary of state, asked for an appropriation of \$5,000, with which to make a thorough inspection of the state capitol buildings. He said a recent report of the state board of architects indicated that repairs were badly needed.

Hearing of all fair bills, including the Pacific International Exposition, will be held Friday night.

ESTABLISHMENT OF BRANCHES ALLOWED

(Continued from Page 1.)

impaired capital and surplus equal to the aggregate of the capital required for separate banks in the places where the branches are located, plus the sum of \$200,000. If the principal office of the bank or trust company is located in a town with a population of less than 10,000, the capital and surplus required shall be equal to the aggregate of the capital required for separate banks in the places where the branches are located, plus the sum of \$100,000.

REGULATIONS OUTLINED FOR UNIMPAIRED CAPITAL

The unimpaired capital and surplus shall equal not less than 10 per centum of its deposit liabilities in the commercial department, plus five per centum of its deposit liabilities in the savings department. If the deposits of any bank or trust company operating branch banks shall increase so that the capital and surplus shall not equal the percentage herein required, such bank or trust company shall either increase its capital and surplus or discontinue the operation of its branches.

No branch bank shall be discontinued without written approval of the state superintendent of banks.

The fee required for examination of branch banks is substantially the same as for other banks.

HARLAN LAMBASTED AT PHONE HEARING

(Continued from Page 1.)

only to befuddle the legislature. Col. Clark gave facts and figures in support of his contention that telephone rates in Portland are too high, declaring that revenue had increased \$8 per cent, while number of phones had increased but 46 per cent. Since "home rule" had been taken away from cities in 1911 phone rates had increased in some cities as high as 160 per cent, he claimed. While phone rates have been advanced, costs of other utilities, such as power have actually decreased, he said. He also charged the public service commission with laxity and inefficiency.

Following Col. Clark, George L. Baker, mayor of Portland spoke briefly in support of the bill. He traced the work done on the franchise since 1927, told how the people had approved the franchise proposal by a vote of over 65,000 for less than 24,000 against, and said "we will consider it a compliment if the legislature will give us the privilege of bargaining for our rights in this case."

FACTS and GOSSIP

At last a real mathematician has figured out just how much this legislative process of the state of Oregon costs. The charge to the groaning tax payer is just \$12 a minute, it is declared by Representative Wilkes, of 13-month calendar fame. This shot was hurled during a debate Monday morning, which Mr. Wilkes considered a mere waste of time, and at \$12 a minute, a waste of money also.

A few more dollars may be available for expenditure by those who handle the taxpayers dollars if H. B. 469 and H. B. 421 pass. The first measure, introduced by Representative Briggs, would allow counties, school districts and municipalities to invest their surplus funds in securities, which would yield a higher rate than the two percent now received from banking institutions. C. W. Robison in his measure would increase the rate of interest paid on deposits of moneys from two to three per cent.

Declaring that he would "stand on his record" as far as answering the charges made by West were concerned, Harlan tore into opponents of the bill, in which he grouped all public utilities, declaring that this measure will open up an avenue to attack on all such utilities. He declared that at present the state had no way of getting at the data on the phone company, and that the public service commission was simply unable to cope with the situation.

Appearing for "herself" Mrs. Louise Palmer Weber discussed the measure at length, pointing out that the women and others in Portland besides the men and business interests should be considered in the case.

BANCROFT CAST IS TAKEN FROM STAGE

Following the policy announced recently by Jesse L. Lasky, vice-president of Paramount Famous Lasky Corporation, on using players only who have had previous stage training for talking films, "The Wolf of Wall Street," starring George Bancroft, has a cast made up entirely of players who have come to the screen from the stage.

Bancroft was formerly one of the leading legitimate players along Broadway. Backstage is a product of the Moscow Art Theatre; Nancy Carroll comes from musical comedy; Arthur Rankin, Brandon Hurst and Crauford Kent are also former stage players. Paul Lukas, who has one of the supporting leads is known as the "Barrimore of Hungary."

The voices of all the players are heard in the all-talking motion picture which opens Wednesday at the Bligh theatre. The above records testify to the statement made by Mr. Lasky that only "casts that can talk" will be used in Paramount quality talking pictures.

ARTIST RECOVERING NEW YORK, Feb. 11—(AP)—Howard Chandler Christy, famous artist and illustrator, is recovering from a severe illness. Mrs. Christy announced tonight,

MORONI OLSEN HERE IN PERSON TONIGHT

The first Circuit Repertory company of the Moroni Olsen players makes its second appearance this season at the Elsinore theatre tonight in C. Murray's remarkable Irish drama "Autumn Fire."

In many respects this is the most noteworthy achievement of the company since its founding and it is regarded as one of the most important offerings of the current season, standing in distinct contrast to the other plays in the season's repertory, both of which are comedies, and each of which is set against a different cultural background.

American audiences have been profoundly interested in Irish plays and Irish playwrights in recent years and in "Autumn Fire" the audiences following the work of the first Circuit Repertory company, have an opportunity to witness and appraise one of the noteworthy Irish plays of recent years, presented with the fidelity to spirit and detail that is the characteristic of the art of this group of players.

Moroni Olsen, who has just returned from a tour around the world, appears in "Autumn Fire" in the character of Owen Keegan, one of the most brilliantly drawn characters in the play, and a role that is especially fitted to his genius and presence.

CHAMEKETANS HAVE SPORTS AT MT. HOOD

Alpine sports were indulged in by 66 members of the Chameketan outfit club who went to Government camp Saturday afternoon. Skiing and tobogganing provided most of the outdoor fun while gathering around the large fireplace in the hotel lobby filled the short evening hours. Clear, cold weather without too much wind added to the pleasure of the trip. Before breakfast Sunday morning the party went out for a short appetizer on skis. Leaders of the group say that the hot meal could not have been better received. Pictures of the Chameketans individually and collectively were taken by photographers of the Oregon Journal and by Dr. D. B. Hill. The motion pictures by Dr. Hill will be shown at a club gathering later.

Miss Degermark Hurt Tobogganing followed the hike from the hotel to swim and was interspersed with watching several professional ski jumpers. Miss Carin Degermark, physical director at Leslie Junior high school was injured slightly by a fall.

Those going from Salem were: Mr. and Mrs. Fred Anusson, Lillian Austin, Richard Baker, John E. Blinckorn, Lillian Block, Ruby Brazzka, Edith Burch, Belle Burkholder, Vivian Carr, Irma Cobb, Curtis Edwin and Frank Cross, Gale Curry, Carin Degermark, Esther Dieffenbach, Dr. and Mrs. L. M. Douglas, Laura L. Douglas, Ruth Draper, Elsie Egan, Sarah Erwin, George Fake, Elaine Foster, Catherine

COMMITTEE VIEWS SALARY INCREASES

A few salary increase bills were due to come up for third reading and final action in the house Monday, but they found themselves in the hands of a special committee, appointed by Speaker Hamilton for the purpose of looking over all these measures.

Londoner Claims Reward For Not Telling Any Lies

LONDON, Ont., Feb. 11.—(AP)—George Washington, who could not tell a lie, has a living rival here.

Londoner Claims Reward For Not Telling Any Lies

During a stirring sermon on sin, a local preacher offered to give \$10 to any one in the congregation who could swear he never had told a lie. A Londoner calmly walked on the platform and claimed the money.

SCIENCE ADDRESS IS HEARD MONDAY NOON

An audience which filled a large portion of the Capitol theatre heard Salem Andrew Hart of Cleveland address local Christian Scientists Monday on the subject, "Christian Science; the Fulfill-

CAPITOL THEATRE
STARTS WEDNESDAY
A PARAMOUNT
ALL-TALKING
PICTURE
GEORGE CARROLL
The Wolf of Wall Street
Also MOVIEPHONE TALKING NEWS AND GREAT VITAPHONE AGTS.—ALL NEW BILL—

CAPITOL THEATRE
LAST TIMES TODAY
Laura La Plante
In her 1st Talkie
"The Last Warning"
Added CHIC SALE
In His New Moviephone "Marching On"

OREGON
Today—Wednesday
THE TRAIL OF 98
NOW
Held By Popular Demand
For Two Days Only
Matinee 35c
Night 50c
Kiddies 10c
NEWS AND OTHER SUBJECTS

MORONI OLSEN HERE IN PERSON TONIGHT

Gaylord, Greta Glenn, Wesley Heiss, Magdalea Herr, Dr. Hill, Ted Hobart, Anton Hoel, Ruth Hopson, Mildred Hrig, Raymond Kitredge, David Korb, Yerna Land, Clara Larson, Lois Lattimer, Mabel Lindquist, Harold Lottis, Edward McReynolds, Augusta Nordorf, Mr. and Mrs. M. G. Panek, Lavilla Perry, Lottie Peterson, Jim Reed, Mr. and Mrs. Rich Reiman, Ben Rickli, Irene Rickli, Marvin Roth, Isora Templeton, Richard Tjebkja, Stanley Vail, Irene Voge, Lucila Wood.

Several who joined the party Sunday morning were Mrs. D. B. Hill, Dr. C. A. Downs, Flavia Downs, Charlotte Hill, Emmett Kliesko, Carlton Roth and Edwin Roth.

HOLLYWOOD SCANDALS TO ELSINORE

Shhhhhh! There are whispers in the air. Tomorrow all details will be forthcoming at the Elsinore theatre when Fanchon and Marco's "Hollywood Scandals" hits the town, co-starring Mildred Harris, beautiful screen star in person with Gerald Griffin, international singing star.

'Tis said the production is the zippiest, saniciest stage revue produced by Fanchon and Marco in many months. It's all about a studio land gossip, set to music, and a glorious variety of colorful settings, with Mildred Harris, formerly Mrs. Charlie Chaplin, playing the leading feminine role and Gerald Griffin, for the first time in his career, playing the role of a Hollywood cop in a song number.

The presentation also features Seymour and Corn Cob, two fellows claimed to show Hollywood-wise in all about with laughter and wisecracks, they've promised to let Salem in on all the secret too.

The screen offering promises more thrills and excitement in "The Whip" than has been seen here in some time. The production is based on the well-known stage melodrama of that name. A thrilling horse-race, automobile crashes and all the other incidents which are prone to make the heart fall and the hair rise, have been scattered throughout the production.

C. W. Stinger, assistant general passenger agent for the Southern Pacific from Portland, gave the principal talk at the bi-monthly better business or new idea meeting held at the railway district office at 184 North Liberty street Monday night. H. J. Mohr, freight agent for the S. P., was in charge of the meeting, at which approximately 20 Salem employes were present.

THE WHIP
Twelve smashing, thrilling, wonder scenes—powerful love story of racing heroes and Ritzy women—with four great stars. DOROTHY MACKAILL, RALPH FORBES, ANNA Q. NILSSON, LOWELL SHERMAN... The greatest combined entertainment offered in many moons... DON'T MISS THIS SHOW!
Big Bargain Matinee 25c

TONIGHT
8:15 P. M.
Elsinore Theatre
THE
CIRCUIT
REPRTORY
COMPANY
OF THE
MORONI-OLSEN-PLAYERS
in
AUTUMN FIRE
A PLAY IN THREE ACTS
BY
C. MURRAY
Center, Lower Floor and Mezzanine\$2.00
First seven and last five rows, Lower Floor 1.50
First 2 rows, Balcony 1.00
Next 8 rows, Balcony75
Last 7 rows, Balcony50
Sponsored by Salem Lions and Kiwanis Clubs

ELSINORE
TOMORROW
MILDRED HARRIS
FORMERLY MRS CHARLIE CHAPLIN
and
GERALD GRIFFIN
FANCHON & MARCO'S idea
HOLLYWOOD SCANDALS
ON THE SCREEN
"THE WHIP"
Twelve smashing, thrilling, wonder scenes—powerful love story of racing heroes and Ritzy women—with four great stars. DOROTHY MACKAILL, RALPH FORBES, ANNA Q. NILSSON, LOWELL SHERMAN... The greatest combined entertainment offered in many moons... DON'T MISS THIS SHOW!
Big Bargain Matinee 25c

New Model PHILCO
ALL-ELECTRIC RADK
\$167
Five Tubes, including remote control type Electro-Dynamic Speaker, Free Home-Use Service.
Come in—Hear it
Insert Dealer's Name and Address Here
J.C. Hill Furniture Co.
COMPLETE HOUSE FURNISHING

HILLOTT'S
Large selection of men's suits, coats, and accessories. Quality fabrics, expert tailoring. Visit us today at 123 Main Street.